

February 13, 2007

The Honorable Henry A. Waxman
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515-0530

Dear Congressman Waxman,

On behalf of Kaiser Permanente, we are writing to express our strong support for the Access to Life-Saving Medicine Act and our appreciation for your leadership over many years in making safe, effective, and more affordable generic medicines available.

As one of the nation's largest health plans and the largest private health care delivery system, we and our members feel acutely the growth in health care costs. Increasingly, biopharmaceuticals are the preferred treatment for a range of conditions. At the same time, these medicines can carry a very high price. Several of our members take recombinant products that cost more than \$200,000 annually. For example, Kaiser Permanente spends more than \$10 million annually for biotechnology-derived enzyme replacements to treat approximately 50 patients with various rare, inherited enzyme deficiencies. For these patients there are no lower-priced alternative treatments, and without them, they face severe health problems and early mortality. In addition, the growth of spending on biopharmaceuticals is far outpacing our rate of increased spending on other drugs. While having new therapies available for our patients and members is important, the high rate of growth of total biotech drug costs is a warning sign for the long term stability of prescription drug coverage.

Without an abbreviated approval process for biogenerics, each brand-name biopharmaceutical will have a perpetual monopoly and there will be little hope of these valuable medicines becoming more affordable and thus more available. Creating an abbreviated approval pathway for lower cost alternatives should lead to a vibrant, competitive market, lower prices and increased access. It will also ensure that brand-name manufacturers continue to have the strongest possible incentive to develop new, truly innovative products, with the knowledge that the monopolies on their existing products will not be available forever. These are worthy goals to pursue.

Thank you again for your continued leadership in bringing competition to the market for biopharmaceuticals and more affordable medicines to patients across America. We look forward to continuing to work with your staff on refining this legislation, and promoting its enactment. Please contact Steve Cole in our Washington, DC government relations office (202-296-1314) if we can help in any way.

Sincerely,



George Halvorson
Chairman and CEO
Kaiser Foundation Hospitals
and Health Plan



Francis J. Crosson, MD
Executive Director
The Permanente Federation